

23RD

ANNUAL REPORT

2016-2017

ADCON CAPITAL SERVICES LIMITED

BOARD OF DIRECTORS

Mr. Sanjay Minda
Mr. Manjit Jajoo
Mr. Mihir H. Patel
Mrs. Chetna S. Minda

Mr. Sanjay Vishwakarma, Chief Financial Officer and Company Secretary

BANKERS

Kotak Mahindra Bank Limited

AUDITORS

M/S Gupta Saharia & Co.
(Chartered Accountants)

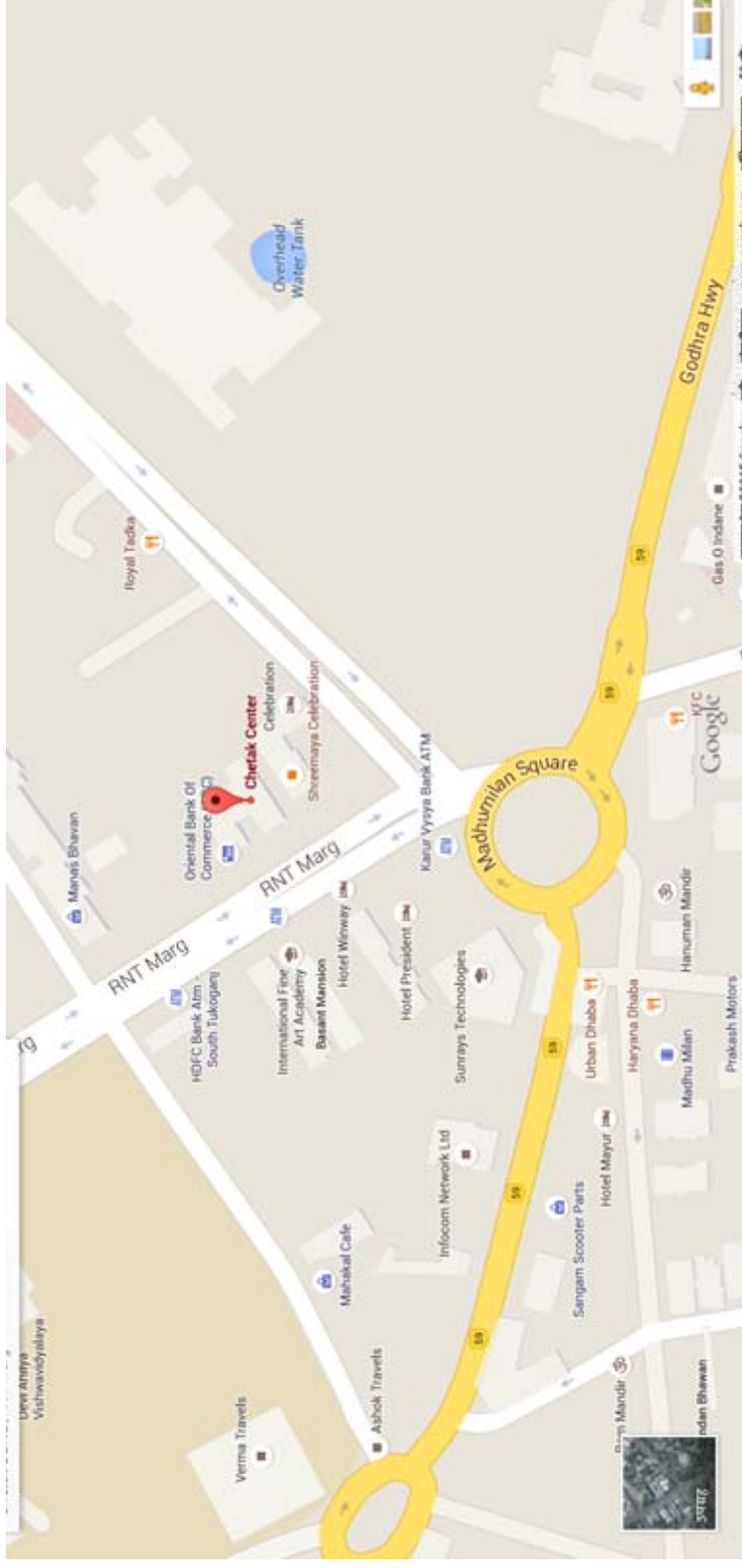
REGISTERED OFFICE

417, Chetak Centre NX,
Near Hotel Shreemaya, RNT Marg,
Indore - 452001 Madhya Pradesh

CORPORATE OFFICE

117, Hubtown Solaris,
N. S. Phadke Marg,
Near East-West Flyover,
Andheri (E), Mumbai - 400 069.
Maharashtra

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**Registered Office : 417, Chetak Centre NX, Near Hotel Shreemaya, RNT Marg,
Indore - 452001. Madhya Pradesh**

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 23RD ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF ADCON CAPITAL SERVICES LIMITED WILL BE HELD ON FRIDAY, SEPTEMBER 15, 2017 AT 12:30 P.M. AT ITS REGISTERED OFFICE AT 417, CHETAK CENTRE NX, NEAR HOTEL SHREEMAYA, R.N.T. MARG, INDORE – 452 001, MADHYA PRADESH TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements for the year ended 31st March, 2017 and reports of Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Sanjay Minda, (DIN: 00034029) who retires by rotation and being eligible, offers himself for reappointment.
3. To ratify the appointment of Auditors and fix their remuneration and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modifications or reenactment thereof, for the time being in force), the appointment of M/s. Gupta Saharia & Co., Chartered Accountants (Firm Reg. No. 103446W) as the Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the Twenty Fourth Annual General Meeting be and is hereby ratified at such remuneration as may be fixed by the Board of Directors of the Company.”

By order of the Board of Directors
For Adcon Capital Services Limited

Sd/-

Sanjay Vishwakarma
CFO & Company Secretary

Place : Mumbai
Date : 19.08.2017

NOTES :

1. The details pursuant to regulation 36(3) of SEBI (LODR) Regulations 2015 in respect of Director proposed to be reappointed at the Annual General Meeting, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies to be effective should be deposited at the registered office of the Company not less than forty eight (48) hours before the commencement of the meeting and in default, the instrument of proxy shall be treated as invalid. Proxies submitted on behalf of the companies, societies etc., must be supported by an appropriate resolution / authority, as applicable. A person can act as a proxy on behalf of members not exceeding 50 and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, September 8, 2017 to Friday, September 15, 2017 (both days inclusive).
4. Members/proxies should fill the attendance slip for attending the meeting.
5. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
6. Corporate members are requested to send a duly certified copy of the resolution authorizing their representatives to attend and vote at the meeting.
7. The Company has not offered the facility of e-voting as mandated under Section 108 of the Companies Act and the Regulation 44 of SEBI (LODR) Regulations, 2015 and the voting will take place at the Annual General Meeting.
8. As an austerity measure, copies of Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their copies to the meeting.

By order of the Board of Directors
For Adcon Capital Services Limited

Sd/-

Sanjay Vishwakarma
CFO & Company Secretary

Place : Mumbai

Date : 19.08.2017

**Details of Director seeking re-appointment at the forthcoming Annual General Meeting
(Pursuant to Regulation 36(3) (Listing Obligation and Disclosure Requirements) Regulations,
2015 entered into with the Stock Exchanges)**

| | |
|--|--|
| Name of the Director | Mr. Sanjay Minda |
| Director Identification Number | 00034029 |
| Date of Birth | 15.08.1967 |
| Date of Appointment | 19.04.2010 |
| Expertise in specific functional area | Income Tax, Corporate Restructuring, Capital Market, Acquisition and Takeovers and related matters |
| Qualification | B.Com, FCA |
| No. of Equity Shares held in the Company | Nil |
| Directorship in other Listed Companies as on 31.3.2017 | 2 |
| Chairmanship / Membership of Committees in other Listed Companies as on 31.3.2017 | 1 |

DIRECTOR'S REPORT

Dear Shareholders,

Your Directors are pleased to present the 23rd Annual Report together with the Audited Accounts for the year ended 31st March, 2017.

1. CORPORATE OVERVIEW:

Adcon Capital Services Limited, ("the Company") is a registered Non – Banking Financial Company (NBFC) holding certificate of registration from Reserve Bank of India. It is a listed NBFC Company, engaged in the business of providing loans, investment in securities of other companies and providing other related Financial and Consultancy Services and a professionally managed company.

2. FINANCIAL PERFORMANCE:

The summary of operating results for the year is given below:

(Amt. in Lacs)

| PARTICULARS | For the Financial Year Ended | |
|-------------------------------------|------------------------------|------------------|
| | 31st March, 2017 | 31st March, 2016 |
| Total Income | 11.72 | 16.47 |
| Less: Total Expense | 11.24 | (23.14) |
| Profit Before Tax | 0.48 | (6.66) |
| Less: Tax Expense | 0.19 | (1.87) |
| Profit / (Loss) for the year | 0.29 | (4.79) |

RESULTS OF OPERATIONS:

Total revenue of the Company for the financial year is Rs.11,72,654/- as compare to Rs.16,47,269/- in the corresponding previous year and the Company has earned net profit of Rs.29,735/- as compared to loss of Rs.4,78,827/- in the corresponding previous year. The income comprises of activities in the business of Financing to corporates and small and medium enterprises sector and investments in securities.

In terms of the requirements of regulations of Reserve Bank of India your Company has obtained the membership of Credit Information Companies.

3. DIVIDEND :

In order to conserve the reserves to meet the needs of increased operation of the Company, the Board of Directors has decided not to declare dividend for the year.

4. TRANSFER TO STATUTORY RESERVES:

Your Company being a registered Non – banking Financial Company (NBFC) is in terms of provisions of Section 45(IC) of Reserve Bank of India Act, 1934, required to transfer minimum 20% of its Net Profit to reserves under this section, however the Company has accumulated losses of the past and therefore cannot meet the said requirements.

5. SHARE CAPITAL:

The paid up Equity Share Capital as at March 31, 2017 stood at Rs.3,55,11,000. During the year under review, the Company has not issued shares with differential voting rights nor has granted any stock options or sweat equity. As on March 31, 2017, none of the Directors of the Company hold instruments convertible into equity shares of the Company. The Company's Equity Shares are listed on BSE Limited and available for trading.

6. DEPOSITS:

Your Company has not accepted any fixed deposits from the public and is therefore not required to furnish information in respect of outstanding deposits under Non-Banking Financial Companies (Reserve bank) Directions, 1966 and Companies (Acceptance of Deposits) Rules, 1975. Further, the Company has not accepted or renewed any amount falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 during the year under review. Hence, the details relating to deposits which are not in compliance with Chapter V of the Act are not applicable.

7. MATERIAL CHANGES AND COMMITMENTS:

In terms of Section 134(3)(i) of the Companies Act, 2013, no material changes and commitment made between the end of financial year and the date of report which could affect the Financial position of the Company.

8. INTERNAL FINANCIAL CONTROLS:

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious observation has been received from the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

9. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY :

The Company being Non – Banking Financial Company (NBFC), the details required under section 134(3)(g) of the Companies Act, 2013 are not required as the provisions of Section 186 of the Companies Act, 2013 are not applicable to the Company.

10. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the year there are no such details which are required to be disclosed in terms of provisions of Section 188(1) of the Companies Act, 2013.

11. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

Board of Directors of your Company comprises of four (4) Directors and all of them being Non – Executive Directors as on March 31, 2017. During the year Mr. Sawan Kumar Jajoo, an independent director has resigned from the Board w.e.f. 29th December, 2016.

In accordance with the provisions of Section 152 of the Companies Act, 2013 and the Company's Articles of Association, Mr. Sanjay Minda, Director retires by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment.

The Company has received the declaration of Independence as provided under section 149(6) of the Act from all the Independent Directors. Further, the familiarisation program for Independent Directors is also available on website of the Company viz. www.adconcap.com.

During the year Mr. Sanjay Vishwakarma was appointed as Chief Financial Officer of the Company and w.e.f. 16th June, 2017 he is re-designated as CFO and Company Secretary of the Company.

- 12. NUMBER OF MEETINGS OF THE BOARD:** During the year the Directors met at regular interval and gap between the two meetings does not exceed the minimum required. The Board met Four (4) times during the Financial Year on 30th May, 2016, 13th August, 2016, 14th November, 2016 and 14th February, 2017.

- 13. BOARD EVALUATION:** Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the SEBI (LODR) Regulations, 2015 a criteria for performance evaluation of Directors was prepared after taking into consideration various aspects of the Board's Functioning, composition of the Board and its committees, culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and Non –Independent Director was also carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

- 14. DIRECTOR'S RESPONSIBILITY STATEMENT:**

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013 with respect to Director's Responsibility Statement, it is hereby confirmed:

- a) that in the preparation of the Annual Accounts for the year ended March 31, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year ended on March 31, 2017 and profit of the Company for that period;
- c) that the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- d) the directors had prepared the annual accounts on a going concern basis;
- e) that the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) that the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. CORPORATE GOVERNANCE: In terms of the provisions of regulation 15 (2) of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulation, 2015 the compliance with Corporate Governance provisions as specified is not applicable as your Company's paid up equity share capital is not exceeding Rs.10 Crores and net worth is not exceeding Rs.25 Crores as on March 31, 2017. However your Company has complied with the requirements of Corporate Governance as stipulated under the various Regulations of the LODR and accordingly, the Report on Corporate Governance forms part of this Annual Report as **"Annexure - D"**.

16. MANAGEMENT'S DISCUSSION AND ANALYSIS REPORT:

The Management's Discussion and Analysis Report for the year under review, as stipulated under Regulation 34(3) read with Schedule V(B) of the SEBI (LODR) Regulations, 2015 is given in **"Annexure – E"** to this report.

17. AUDIT COMMITTEE:

The Audit Committee of Directors was constituted pursuant to the provisions of Section 177 of the Companies Act, 2013. The composition of the Audit Committee is in conformity with the provisions of the said section and Regulation 18 of the SEBI (LODR) Regulations, 2015. The Composition and the functions of the Audit Committee of the Board of Directors of the Company are disclosed in the Report on Corporate Governance, which is forming a part of this report. During the year under review, the Board of Directors of the Company had accepted all the recommendations of the Committee.

18. NOMINATION AND REMUNERATION COMMITTEE:

The Nomination and Remuneration Committee (NRC) of Directors was constituted by the Board of the Company in accordance with the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (LODR) Regulations, 2015.

The Board of Directors has framed a policy which lays down a framework in relation to remuneration of Directors, Key Managerial Personnel and Senior Management of the Company. This policy also lays down criteria for selection and appointment of Board Members. The Nomination and Remuneration Policy of the Company is attached herewith as **Annexure – A**.

19. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Pursuant to Section 178 of the Companies Act, 2013 and the Regulation 20 of the SEBI (LODR) Regulations, 2015, the Board of Directors of the Company has constituted the Stakeholders Relationship Committee.